

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Ratio Study Narrative 2022

General Information	
<b>County Name</b>	HARRISON COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Ken Surface	317-753-5555	ken@nexustax.com	Nexus Group

Sales Window	1/1/2021 to 12/31/2021
<p><b>If more than one year of sales were used, was a time adjustment applied?</b></p> <p>Sales window of 1/1/2021 thru 12/31/2021 was used.</p> <p>For the study of Selected Vacant Residential Townships and Selected Improved Residential Townships, the sales window was expanded to 1/1/2020 thru 12/31/2021. This occurred in the following townships:</p> <p>Vacant Res: Blue River, Morgan, Spencer, Boon, Heth, Posey, Franklin, Harrison, Jackson</p> <p>Improved Res: Blue River, Boone, Heth, Washington</p> <p>The study used all of the same 2020 sales from the 2021 ratio study within these townships unless some significant change took place eliminating the use of the sale</p>	<p><b>If no, please explain why not.</b></p> <p>There was no time adjustment of any sales outside of the mandated time period as there isn't enough supporting evidence to accurately adjust with confidence. Very limited sales and zero paired sales of comparable properties</p>
	<p><b>If yes, please explain the method used to calculate the adjustment.</b></p>

Used all of the same 2020 sales from the 2021 ratio study unless a significant change took place

## Groupings

Please provide a list of township and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market.

**\*\*Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department\*\***

There were a total of three groupings:

Residential Vacant: RVCountyA – consists of Blue River, Morgan, Spencer. These townships all share the same school corporation and have been combined on prior Ratio studies as they always lack sales.  
RVCountyB – consists of Boone, Heth, Posey, Taylor. These townships all share the same school corporation and have been combined on prior Ratio Studies as they always lack sales.

The townships of Washington and Webster did not have any sales to complete a study

Residential Improved: RIHethWash – Consists of Heth and Washington Township. These two townships share the same school corporation and have been combined on prior Ratio Studies as they always lack sales

The township of Taylor only had 1 sale and was not combined with any of the other townships

Statistical studies were not completed in the classes of Industrial Vacant, Industrial Improved, Commercial vacant as there were not enough sales despite looking outside of the timeframe.

Only the township of Harrison had enough sales to conduct a study for the Improved Commercial class.

## AV Increases/Decreases

**If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.**

Property Type	Townships Impacted	Explanation
<b>Commercial Improved</b>	<p>Blue River</p> <p>Boone</p> <p>Harrison</p> <p>Heth</p> <p>Jackson</p> <p>Morgan</p> <p>Spencer</p> <p>Washington</p> <p>Webster</p>	<p>Cost tables and land order changes was the main reason for the increase – very few commercial parcels reside in twp.</p> <p>Cost table and land order changes along with the entire township being reassessed was the main reason for the increase – very few commercial parcels reside in twp.</p> <p>Cost table changes was the predominate reason</p> <p>Cost table changes was the main reason for the increase. Very few commercial parcels reside in twp.</p> <p>Cost table and land order changes was the main reason for the increase</p> <p>Cost table and land order changes along with the entire township being reassessed was the main reason for increase</p> <p>Cost table changes along with the entire township being reassessed was the main reason for the increase</p> <p>Cost table changes was the predominate reason. Very few commercial parcels reside in twp</p> <p>Cost table changes along with the entire township was reassessed was the main reason – very limited number of parcels</p>
<b>Commercial Vacant</b>	<p>Blue River</p> <p>Boone</p> <p>Franklin</p> <p>Harrison</p> <p>Heth</p> <p>Jackson</p> <p>Posey</p> <p>Spencer</p> <p>Webster</p>	<p>Land order changes – only a few parcels</p> <p>Land order changes – only a few parcels, reassessment</p> <p>Land order changes – very limited nbr of parcels</p> <p>Land order changes</p> <p>Land order changes – only a few parcels</p> <p>Land order changes – very limited nbr of parcels</p> <p>Land order changes – very limited nbr of parcels</p> <p>Land order changes – only a few parcels, reassessment</p> <p>Land order changes – only a few parcels, reassessment</p>
<b>Industrial Improved</b>	<p>Blue River</p> <p>Franklin</p>	<p>Cost table changes, land order changes was predominate reason</p> <p>Cost table changes, land order changes was predominate reason</p>

	Harrison Jackson Spencer	Cost table and land order changes – predominate reason Cost table and land order changes – predominate reason Cost table, land order changes – reassessment -predominate reason
<b>Industrial Vacant</b>	Blue River Franklin Jackson	Land order changes Parcels switched from AG to Ind – due to new Amazon facility to be erected – broken ground Land order changes
<b>Residential Improved</b>	Blue River, Boone, Franklin, Harrison, Heth, Jackson, Morgan, Posey, Taylor	Cost table changes, land order changes and annual trending – was the predominate reason for all listed townships. Additionally, the townships of Boone and Morgan were reassessed
<b>Residential Vacant</b>	Blue River, Harrison, Heth, Posey, Washington	Land order changes was the predominate reason for all listed townships.

### Cyclical Reassessment

**Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.**

The Predominate townships that were reassessed were Boone, Morgan, Spencer and Webster. See the Harrison Workbook file for a complete identification of all parcels reassessed.

**Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.**

Annual adjustments to the land order were completed and will be implemented for the 2022 assessment date

### Comments

**In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g. effective age changes), a timeline of changes made by the assessor's office, or any other information deemed pertinent.**

When determined appropriate, the standard operating procedure (SOP) for making effective age changes is based upon the following:

- Additions – compute an effective age based upon utilizing the original year constructed, the original square footage, the additional square footage added and any additional renovations taking place in the year of construction establishing a weighted average of all the components of value.
- Remodels/Renovations – compute an effective age based utilizing the original year constructed, the percentage of the entire house that was renovated, utilizing the DLGF percentage of completion chart to assist in establishing a weighted average of all the components of value).

IAAO Ratio Study standards indicate that “outlier ratios” can result from any of the following:

1. An erroneous sale price
2. A nonmarket sale
3. Unusual market variability
4. A mismatch between the property sold and the property appraised
5. An error in the appraisal of an individual parcel
6. An error in the appraisal of a subgroup of parcels
7. Any of a variety of transcription or data handling errors in preparing any ratio study

Outliers should be:

1. Identified
2. Scrutinized to validate the information and correct errors
3. Trimmed if necessary, to improve sample representativeness

As a result, there were individual parcels that met these guidelines and were trimmed. Reference the file titled Harrison Reconciliation File for those sales that were trimmed